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TRANSCRIPT

of

CIA CAREER COUNCIL MEETING

15 May 1958

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. . . . The 50th meeting of the CIA Career Council convened at 3:30 p.m.,
Thursday, 15 May 1958, in the DCI Conference Room. The following were present:

Gordon M. Stewart, D/Pers, Chairman
Matthew Baird, DTR, Member

25X1A9A

[redacted], Asst to the IG, Alternate for IG, Member
Richard Helms, COP-DD/P, Alternate for DD/P, Member
H. Gates Lloyd, ADD/S, Alternate for DD/S, Member

25X1A9A

[redacted], D/CO, Member
[redacted], Asst to DD/I (Admin), Alternate for DD/I, Member
[redacted], Executive Secretary
[redacted], Reporter

25X1A9A

Guests: [redacted], DDTR
Lawrence R. Houston, General Counsel

MR. STEWART: The meeting will come to order.

I will act as a guide through this agenda, with Rud's help, and will
hit the important points and get down to the things that need to be discussed, and,
if it's agreeable, I would be very happy to put an hour's limit on the meeting [in
accordance with Mr. Helms' suggestion prior to the opening of the meeting]. Nothing
that we have here is of a crash nature at all.

The minutes of the 49th meeting--

MR. BAIRD: I move they be accepted.

25X1A9A

[redacted] Second.

. . . . This motion was then passed

MR. STEWART: The "Status of CIA Civilian Specialist Reserve Program" is
just here for information, and unless there is comment we will pass on to the next
item.

25X1A9A

[redacted] I had one question on it. Why was 1 July 1958 set
as the date?

25X1

[redacted] 31 July.

25X1A9A

[redacted]: That gives us two months.

25X1A9A

[redacted] We have a limited program - only 50 slots. If you, for
example, should not be able to fill your 35 slots, that would deny to some other part
of the Agency the opportunity of recruiting.

25X1A9A

[redacted] That doesn't give too much time to contact these
people and explain it to them and get them to sign up.

25X1A9A

[redacted] This doesn't mean you will lose the slots. It only means if

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there is a demand from some other part of the Agency it's only proper they should have an opportunity to come into this program. As soon as we get the 50 slots filled we will go to the Project Review Committee and ask for a lifting of the ceiling.

MR. BAIRD: This does not mean they have to be security cleared by then.

25X1A9A

[redacted] It only means the individual has to make a commitment that he is interested.

MR. STEWART: The next item is the revision of [redacted] the Junior Officer Training Program. 25X1

MR. BAIRD: Do you want me to explain that, sir?

MR. STEWART: Yes.

MR. BAIRD: This was an unwitting inadvertence on our part. The intent of the revision was to include in the external JOT program the internal JOT program. I don't think it was ever meant by anybody to change the existing Junior Officer Training Program. So paragraph d(4) should read: "Nominate a representative to serve on an advisory panel which will assist the Director of Training in the selection of on-duty candidates for the Junior Officer Training Program." We mean those that are to come from within the Agency, because we need somebody who knows the individual. But I don't think the intent was to do that for external JOT's--which would be very cumbersome.

MR. HELMS: Was it unwitting or inadvertence? [Laughter]

MR. BAIRD: Inadvertently unwitting. [Laughter]

MR. STEWART: I would just like to suggest this, Matt, and that is I think since this program is so well known and so clearly institutionalized, I think the discussion of problems and even possibly the statement of the policies could be very greatly shortened in a new issuance. I don't know - and this is simply my personal opinion.

MR. BAIRD: You mean you want to change it in addition to this--

MR. STEWART: Yes. I feel that this issuance reads as though it were the first one the first time you opened the program, and at this stage the program is so well established it could stand a shorter regulation. But that is simply a matter of personal taste, and I wouldn't--

MR. HELMS: I'd be inclined to agree with that. I think the more we can shorten these basic Agency papers the better off we are going to be.

MR. LLOYD: Just editorially, and not changing the substance of it

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MR. BAIRD: We have already coordinated on it. All we would do is brief it down.

MR. STEWART: Yes, brief it down, and no further coordination with this group would be necessary.

MR. HELMS: Oh, Lord, write it any way you want!

25X1A9A [] May I ask, then, do we put "on-duty" in paragraph 3.d.(4)?

MR. STEWART: Yes. That is clearly the intent and I think it should be expressed.

25X1 Now the review of current policies and procedures relating to the Career Staff. In l.a. here, "Mutual Good Faith and Intent," as I understand it, Rud, we intend to take from Notice [] which Mr. Dulles signed sometime in 1954, just the basic policy and issue that in the Regulation, and scratch this long Notice that has been on the books so long.

25X1A9A [] Well, that Notice was put out to get the program under way. It's no longer applicable.

MR. STEWART: Any objection to that? [No response.] All right, then.

Paragraph b. is "Processing Applications in a More Expeditious Way," which really means that we will not allow a thing to lie fallow for up to a year, but we will close it out within 30 days after it has been referred back again to a Career Service. This will not, however, be done automatically. We will not be making decisions simply by default. We will contact the head of the Career Service by telephone and make sure he has no objection to the proposal, or whatever it is.

Paragraph c, "Effective Date of Membership," the date on which the Selection Board accepts the application. The Selection Board would like to have that pinned down. Failing that, we tend to have applications coming along, each one naming a different kind of effective date based on some different principle, all of which are perfectly logical, but we would like to pin this one down and have it--

25X1A9A [] Poor performance is the gimmick here, isn't it?

25X1A9A [] That is right. What we have been doing up to this point is giving effective dates of membership in the Career Staff for periods of unsatisfactory performance, and that doesn't make sense.

MR. BAIRD: Are you still on 2 yet? I can't hear with these airplanes--

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MR. STEWART: We are down to "Effective Date of Membership," on page 2.

MR. BAIRD: I just hope that the word "normally" really means what it should there, because there are occasions when the individual suffers--when all of the facts are brought to the attention of the Selection Board--and he probably should have the earlier date. So if "normally" means you will take up individual cases and judge them on their individual merits, I'd be all for it.

25X1A9A [] That was my point.

MR. BAIRD: That is the reason that word "normally" is there, I hope.

25X1A9A [] If a person has been denied membership then "normally" wouldn't apply, because the Selection Board has already taken a formal action - that his membership has been denied.

MR. BAIRD: I believe, from my experience on the Selection Board and afterwards, that there are some cases where they have been wrongfully denied, and you can't tell until somebody comes back from overseas and has asked about the efficiency report that was put in, and we find the individual really was misjudged.

MR. STEWART: I think we would have the necessary latitude with the wording as given here.

MR. BAIRD: I hope so.

MR. STEWART: If that is all right let's go on to the next one, which is the break in service. You will see that there are two interpretations of best interests of CIA: one is at the instigation of CIA, and the other is to accompany a spouse if the spouse is an employee of the Agency. This to me seems to be perfectly normal and natural.

25X1A9A [] There are quite a few of those cases.

MR. STEWART: And occasionally there's a scattering of cases of breaks in service where it's obviously for the personal interest of the individual, and we feel we should exclude those in terms of previous service.

MR. BAIRD: The important thing is that the reasons were made a matter of record at the time of resignation.

25X1A9A [] That is essential, otherwise there is a lot of second-guessing and wishful thinking about this.

MR. STEWART: We're getting pretty good about getting these things on record now, and I think we would have satisfactory files to back this up.

Then, finally, the "Career Status of Women who Accompany Their

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Husbands Abroad," and there it simply amounts to either the girl has a position overseas to which she can be assigned or we would expect her to resign. This overcomes the complicated matter of trying to establish LWOP, or trying to establish some way for this young lady to maintain an employment status equity and an equity in the Career Staff. We think this is the only clean way to do this.

25X1A9A [] It also does ensure her preferential consideration for re-employment from a technical point of view.

MR. HELMS: I think that is a good provision.

MR. STEWART: If there are no objections, then, we will accept the recommendations made in this paper.

25X1A9A [] Does the Council want this coordinated, or is this sufficient--

MR. LLOYD: You're going to incorporate all of these in the Regulation, is that right?

25X1A9A [] That is right, just as they are stated here.

MR. LLOYD: I think we have to see how it all works in together.

25X1A9A [] Well, I would just hope that we wouldn't have to go through the agony of coordination of something which the Council has agreed to.

25X1A9A [] As far as we're concerned, it's all right.

MR. HELMS: What was the purpose of bringing it here first?

25X1A9A []: Because the Selection Board has unanimously recommended all of these things. The Council has always been seized with the Career Staff problem, and therefore the Selection Board felt if the Council agrees with these, let's do it and be done with it. But if you coordinate it there are going to be arguments all over the place, as to why should this be done? Can't we change this? And so forth.

MR. BAIRD: The Selection Board is a creature of this Board.

25X1A9A [] The Selection Board has studied these and recommends them to the Council. It seems to me, with those two bodies of senior people, further coordination should be completely unnecessary.

MR. HELMS: Well, in this case I certainly agree, but it does seem to me the desirable thing is to coordinate in the first instance so we don't get in this bind of having somebody nit-picking something we have decided on simply because we didn't have all of the facts at our disposal at the time.

25X1A9A

[REDACTED]

There is a very strong argument for omitting all procedural data from Agency regulations. This is something which should never be included in the Regulation subject to current procedure. For example, paragraph b. is practically all procedure. Why can't this be done simply by a statement of procedure, which need not be subject to a full, formal concurrence procedure. This would eliminate that.

25X1A9A

[REDACTED]

This kind of procedure becomes a matter of very real policy when you get right down to it.

25X1A9A

[REDACTED]

I don't think that is policy. I don't think it's a question of policy when it comes to how you are going to actually handle something that has been agreed to in principle. What this boils down to is a question of mechanics more than a matter of policy. It certainly has application to what we have discussed before. I am very much in favor of a modified, simplified system of concurrence in this Agency, and I also am in favor of having a streamlined set of regulatory issuances.

25X1A9A

[REDACTED]

I for one would be for no further concurrence in this case.

25X1A9A

[REDACTED]

So far as this one is concerned, I wouldn't insist on further coordination.

MR. LLOYD: Well, let's see how it's put together--let's see how it looks, because I am not familiar enough with this Regulation to know how it fits in. If it looks simple, we will do it.

MR. STEWART: Fine.

Next is a review of personnel management, which was called for last year and to which I responded by simply outlining the various subjects that we discussed last year and giving an indication where we stand. If there is any inclination to discuss any item here, I leave it to the Council. I feel that the basic principles agreed to last year, after our discussion of the paper entitled "The Role of the Director of Personnel," have worked very well. We are making decent progress along the lines agreed to, and there's still lots to be done.

MR. BAIRD: Gordon, does everybody know what you mean by "management development"? I think I do, but--

MR. STEWART: Well, I mentioned it here but I can mention it again. I

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think Dick knows, because Rud has discussed it with them. Management development is merely the identification of those young people in the Agency in the middle grades who seem to have very considerable promise, and then the monitoring of their development, and then seizing such opportunities as arise to give them chances for training and for the type of experience that seems to be called for. In the reviews that we have undertaken thus far of the graduates of the JOT program we have made quite a number of decisions ourselves as to what should be done, and are getting at it in terms of these individuals.

MR. BAIRD: The reason I asked you to speak on this is because I think it's vitally important for all of us to be able to tell them that. In training courses and anytime you have an opportunity to talk to young and middle-graded people tell them that this is being done, that they aren't being lost sight of, and that there are opportunities for highly qualified young men and women to advance. It's not generally known, and I think it should be generally known.

MR. STEWART: Well, Matt, my feeling on that is let's give it some more time to see what can be done, once we get these lists and see how much success we have in developing people by conscious effort, and then advertise it. Because it's not just a sure thing that we're going to get very far, given ceilings, given compartmentation, and one thing and another, and given the demands of the day-to-day work.

25X1A9A [] Has any effort been made to identify individuals who have this potential?

MR. STEWART: Yes, we're doing that right now.

25X1A9A [] It will take until November before we're ready--

MR. STEWART: By November we will have been in touch with the people who can give us this information, and we will have done enough screening to know where we stand.

25X1A9A [] Will this be compiled in any form of record?

MR. STEWART: Cards. I have them right now. I have cards that I put "MD" - management development - on.

25X1A9A [] In anticipation of a report to the Council of junior, middle, and executive inventory, and as a result of my conversation with you, Dick, we are carefully not advertising this until we are able to make a report to the Council, and then find out where we can go next.

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25X1A9A [] Are you getting this from the Career Services or from the heads of components?

MR. STEWART: Career Service people. We have talked to some--

25X1A9A [] But not in the DD/P, because Dick doesn't want it done.

MR. HELMS: I make the motion we give the Director of Personnel a vote of confidence on this paper, and not call DeGaulle in until next year [laughter].

MR. STEWART: Thank you.

MR. BAIRD: In spite of the statement under paragraph 9, "Control," we still give you a vote of confidence. [Laughter]

MR. STEWART: Well, on this matter of control - I don't know how it's done in this Agency. I'm just feeling around. Maybe I could get some advice from some of those present. The original paper described it as a method of following up and making sure that things are done, but anyone who has tried that around here for any length of time knows what he gets into.

25X1A9A [] Fundamentally it's a matter of follow-up on personnel policies and implementation of personnel policies throughout the Agency, which I think is not an unfair assignment of responsibility to you.

MR. STEWART: No. I agree. And I am assigning it to the Heads of Career Services with the agreement of the Council.

MR. BAIRD: I remember the IG a year ago recommended more power and control for the Director of Personnel, and the Director of Personnel said, "No, I don't want to assume it" - at that time. Are you still happy that you didn't assume the amount of power that the IG thought you should?

MR. STEWART: Not entirely.

25X1A9A [] I have to take a position on this. I don't recall we made positive recommendations for increased control, but, rather, a recommendation that the responsibilities of the Director of Personnel be reviewed and a determination made of which responsibilities he should assume and which ones--

MR. BAIRD: I stand corrected. [Laughter]

MR. STEWART: In the area which you might call "manpower utilization," I think that the requirement for a stronger central control is growing to be more obvious to me, but just how to do it and what means you use in getting things done, I'm not sure. One way, I'm sure, is that we should cut way down on recruitment of certain types of specialists and try to force people to take men and women who are

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already in the Agency and train them to their needs. That is going to take some doing. I think in that general area of career development and manpower utilization-- I think those are the areas in which the Director of Personnel eventually, if you had a good organization, would exercise more authority than he does now.

25X1A9A

This might mean a much more extensive use, in certain cases, of external training.

MR. STEWART: Yes, it leads into that, but that I list here under areas of little or no progress in the general fields of assignment and reassignment. That is an area where I think we do, unquestionably, need to improve. But that is my assessment of the situation.

The next item is competitive promotion. The letter from Dick, dated 23 December 1957, is here. The question asked in the light of this letter is: should the principle of competitive promotion be restricted to grades GS-12 and above, or should the competitive areas be adjusted so that true competitive promotion is possible in the lower grades as well. By this we mean--in DD/P, Dick--that your central boards or panels would handle the competitive promotion of people in GS-12 and above, and that you would ration out the number of promotions possible to the various competitive areas--your staffs and divisions--and ask them to make their own selections on a competitive basis. There is no reason why, in the GS-11's and GS-9's, you couldn't have true competition between the 11's and 9's in the EE Division and the FI Staff.

MR. HELMS: No, I don't think there is.

MR. STEWART: I think the principle of competitive promotion is well enough established so they would apply it. But I do think a central panel--in this case, Panel C--would be really taking on quite a chore if they tried to get down to 7's. It's just too much of a job. And then you do have the objection that the fellow who is turned down in this process may not ever have had a decent hearing, because it's so hard to get enough people around to testify in each case. So if we could answer this question in terms of the latter alternative, that is, the competitive areas be adjusted so that true competitive promotion is possible in the lower grades as well, then I think we've got the thing where it should be.

MR. HELMS: How would this thing be explained--this conception which you have just outlined?

MR. STEWART: Well, we would change the Regulation and explain in the Regulation that any Career Service that wished to establish separate areas of

competition--

25X1A9A [] That is already in the Regulation, as I understand it. It says a Career Service may break down into a smaller area. That is what we have done in a place like ORR - which is much too big, and we work it down to economics and geography--we're forced to do it.

MR. STEWART: Well, let's let it be, and if it isn't explained we will explain it.

25X1A9A [] This means that 12's and above--

25X1A9A MR. STEWART: Would be handled by central panels.

[] I can live with this, although I take it on down to 9's, but I can't go below 9's with one central board.

25X1A9A [] The Regulation says, [quoting from [] para. 2.b.] 25X1
"However, the Head of a Career Service will establish separate areas of competition within the service when necessary because of substantial differences in occupational or functional lines of work performed by its personnel."

MR. BAIRD: Can you live with that, Dick?

MR. HELMS: I imagine.

MR. STEWART: We might amplify that in some issuance that goes around to the divisions.

MR. BAIRD: I think it would be a shame to violate the principle.

MR. HELMS: Why don't you [indicating Mr. Stewart] answer my letter by a letter back to me explaining what you think ought to be done, and that will take care of it.

25X1A9A [] Do you want to leave it at the GS-7 level in the Agency?

MR. STEWART: I see no reason to go below that.

MR. HELMS: It's a fetus below that.

25X1A9A [] I think the principle is all right, but I think it's unworkable in 7's, even in my quite homogenous outfit.

25X1A9A []: It really makes no difference to us.

MR. HELMS: How about starting with 9's and 11's--bringing this down two brackets and the cut-off at 9?

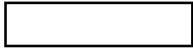
MR. STEWART: Changing the Regulation and having the cut-off at 9?

25X1A9A [] And decentralize for the 9 and 11 level? Okay.

MR. STEWART: Now the Questionnaire on Overseas Duty.

MR. HELMS: That has been sent out already.

25X1A9A



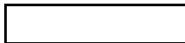
That is right. This is for background and information.

MR. STEWART: These are statistics you may wish to refer to as we discuss the early retirement [referring to charts on distribution of age groups, grades and years of Foreign Service Officers, Foreign Service Reserve Officers, and Foreign Service Staff].

Let me say a word in introducing the early retirement proposals which we think are worth consideration. We tried various formulae for this and there seemed to be just two that we need to review. In fact, it's not necessary that we make a final decision at this time, but it would be extremely helpful to Rud and to me to have an expression of opinion by the Council.

There are two systems. One is the system of selecting a corps of people who would have pay rates separate from those of the Agency, following the State Department payscale, and would have the retirement benefits granted to the Foreign Service, including a lot of fancy things that they are asking for in their present legislation. Present legislation extends the concept of early retirement down through the FSS groups, and, hence, if we were to base our appeal on what they are doing now, we would be able to accommodate those people serving overseas who are in the sub-professional or in technical positions.

25X1A9A



Even including secretarial careers.

MR. STEWART: The other alternative is automatic selection. As a basis for this the firmest one is the one that Mr. Ellsworth proposed last year - 20 years of service of which 10 years are overseas--at least 10 years are overseas.

We have discussed these with a number of your people, Dick, and with the Communications people, at considerable length. I, having the floor, will issue my own position right now. I am very strongly in favor of the automatic selection according to the Ellsworth formula, because in the framework of our overall personnel policy if we establish a separate corps I think that the rest of the Agency will have to sit back and abide, more or less to the letter, with the Civil Service regulations. I can't see how we can have both--I can't see how we can carry on a vigorous internal personnel program and attempt to get our rules and regulations adjusted to what we consider to be the needs of the Agency, and have a corps which is modelled after the Foreign Service at the same time. I feel that if we get the latter, then we are

going to be told that as far as the rest are concerned it's a routine Agency and that we might as well stick to the letter of the Civil Service. I feel it would mean a very important split in the structure of the Agency. The reason why we went into so much detail on the matter of a Foreign Service type of thing is that we don't want to be haunted by the feeling that the Council or the Agency had not given this full consideration at the time that it made up its mind to go in for early retirement legislation. The other reason is that it may be that the Council or the Agency will decide to have a corps. As far as I am concerned, my reason is to give it full review. I think it's very necessary to do that, and particularly in view of the changes and improvements that the Foreign Service is going after on its own behalf. As these become known among our people the question will naturally arise: Did you in fact consider what the Foreign Service was going to get for itself when you made up your mind not to follow that pattern?

MR. HELMS: Gordon, may I speak to this, please?

I have looked at this proposal for an "overseas career corps," I guess it's called, and I was particularly disturbed when I looked at it because the fellows in the Clandestine Services who work with me on this are all individuals whom I respect highly, and, consequently, to find myself in disagreement with them rather troubles me. But I have looked into it. I agree with you about the establishment of any other career corps in the Agency. There are various reasons why I am opposed to it, not the least of which is that it sets up two kinds of people in the Agency, which was just the kind of thing we tried to keep away from when it was a question of setting up an "elite corps" in the early days of setting up the Career Service. That is one thing. Secondly, it will immediately set up all kinds of recriminations and bad feeling in the Agency. In the third place, it's discriminatory, and, in my opinion, discriminatory in an undesirable way. It simply means you can be a loyal, faithful employee of this Agency and work your heart out for a lifetime, and because of some peculiar circumstances surrounding your health, your personality, or something, you don't get overseas, and you can live in poverty in Washington very happily under the other system while everybody else reaps the benefits. In short, and I don't like the word "morale," but I think it would tear this Agency asunder, frankly, and on that ground alone I would be opposed to it.

Now in examining what these very thoughtful and intelligent people are getting after, I find there are two considerations which bother them. One is

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that they see that the Foreign Service is getting better pay rates and there are more fellows in the higher Foreign Service groupings than there are here in the Agency. A lot of the fellows are quite burned up about this, and they are burned up about it on the basis of the fact that they consider these State Department fellows "glorified errand boys," and consider themselves much abler, and while our people are getting three or four thousand dollars less they're trying to make the policy and do all the work. This I don't blame them for. The other thing is that they see this problem moving up ahead of us some years hence when a lot of people are going to be a certain age in the Agency and if they're not retired the whole place is going to get constipated and the neck of the bottle is going to get jammed. Those are the things they are concerned about. But I can't see why we can't deal with those two things quite differently, instead of put up in a fancy jar with a lot of furbelows, and get to the things that we want to accomplish. I'm not sure HOW we should do these things, but I think we should keep our eyes on the aim of this exercise and see if we can't find a device for achieving it.

The Director of Central Intelligence has a lot of authorities of his own, some of which Larry Houston says he can't exercise and certain others which maybe we ought to get cranked up so he could exercise them. But it seems to me we ought to put this thing to the Director, and ask him: "Are you willing to go up to the Congress and get us a more liberal arrangement, or not?" But it just doesn't seem it is going to be any easier to get it by putting it in an involved document which has a whole lot of undesirable features in it, in the hope this is going to sneak through because it's the Foreign Service. It's like Darwin's law that that is a poisonous snake over there, and this one over here looks like him, so to keep comfortable we'll treat it like one. It seems to me this is a hell of a way to run a business. I think it should be put to the boss in simple terms. The same thing on retirement - he has the power, under law, to get rid of anybody in this Agency that he wants to. I don't know why Larry won't let him use this power, or why he doesn't go to the Congress and get this power extended, and say, "I will decide, on the basis of recommendations to me, who is going to get out of the Agency and at what time."

MR. HOUSTON: When did I say he can't use it?

MR. HELMS: You never do, except in loyalty cases.

MR. HOUSTON: We are currently employing it for other than security cases, and have been--

MR. HELMS: For the last six months?

MR. HOUSTON: No, prior to that. The problem is not in getting rid of them--we can get rid of the people but we can't change the retirement system.

MR. STEWART: Paying the annuity is the real problem.

25X1A9A [] We do have some encouragement from the Civil Service and the Bureau of the Budget on some form of accelerated retirement system.

MR. STEWART: Yes, the very simple proposal they make--

25X1A9A [] Overseas service is the qualifying factor - once the principle has been established there is an advantage to be gained from an accelerated retirement system?

MR. STEWART: No, not generally for all Government, not at all.

25X1A9A [] Is this not subject to negotiation, however?
[] We have been negotiating for three years. I believe that some of the recent advantages, liberalizations, which the Foreign Service is about to get--and I sat in at their briefing, at their invitation, with the Bureau of the Budget - as did []--and they are going to get them because they are getting support from the White House, the Bureau of the Budget, and the Civil Service Commission. So the chances are they will get it. Some of those things can be cranked into the Ellsworth formula. We are going to have to get legislation to get any different retirement system.

MR. HELMS: Pardon my effusion, but this problem is about to get us all down. We walk up this hill and back down year after year. There must be some solution to it.

25X1A9A [] There is as soon as this one question is settled: Is it a corps or not? Or is it a credit for overseas service? That is the only issue.

MR. HELMS: I had one further statement I want to make--and this is sort of peripheral to the whole thing. Everybody has an awful lot of self-interest in these matters. I understand this, and that is only human nature. But good God, the place that is regarded the hardship post these days is Washington, D. C. Nobody is suffering too much overseas. As a result of Red White's efforts, and Gates Lloyd, life has gotten fairly manageable even in the toughest post we've got overseas, and there are lots of compensations. And if you come into this Agency and enjoy overseas work, it doesn't seem to me you are really sweating it out or living it up very tough to be assigned to most of these overseas posts. Therefore, this business of sort of

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everybody crying on the cross about, "God, I've served overseas ten years, therefore get me out of this government in a hurry"--this is just getting out of focus. I think we are being deluded by this issue. Ask any housewife - she would like to have those five servants they all have in [] - there isn't a woman who wouldn't be delighted. You have to be a millionaire to live here in this town and live as most of our fellows overseas do. So why should we get this all gummed up with something else we're talking about, which is how to get rid of people, and at a certain age, and not get so very much entangled with formulas which seem to be sort of sliding off the issue. We're not being honest and frank about it. We want to get rid of people and we want to get rid of them at a certain age in order to clear the decks. Why is it that we can't do this without tying it to something which is really sort of a myth? The Secret Service, the FBI, and the police forces in this country get out after 20 years. Why? Because they are involved in a hazardous life. There is a special statute for that, and I bet you could get most of our people under that thing, if you really hit it right. And why not? They're doing very much the same sort of thing.

25X1A6A

MR. HOUSTON: We looked at that some years ago. We had adamant resistance, from both the Administration and on the Hill, to our doing the same thing the FBI did. We thought that was the answer.

25X1A9A [] Is that based exclusively on hazardous duty?

MR. HOUSTON: That is the concept.

25X1A9A [] What is the 20 year military--

MR. HOUSTON: That's a completely different concept and program.

25X1A9A [] Does the military program have anything we can use?

MR. HOUSTON: No, because that is built into a whole different concept.

25X1A9A [] That is built into the concept of military service.

[] I realize our Agency doesn't throw as much weight as the State Department, but is it essential for us to constantly wait for them to establish something so we can tag along on their coat tails? Why can we not come up with something brand new and unique, and take the initiative on our own as an intelligence agency, not as part of any other department of government.

MR. HEIMS: Gordon, I have finished my effusion. I have talked too much, I realize it, and I don't want anything I've said to be misinterpreted, because I know a lot of hard work has gone into this problem, and it probably isn't in any

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sense simple, but I do plead that we face the issue and not try to come up with a lot of gimmicks.

MR. BAIRD: On the voting for a or b [referring to paragraph 2 in memo to Career Council dated 9 May 1958, subject: Retirement System], I'd like to say that I agree with everything Mr. Helms said, and I'm awfully glad he said it--with the possible exception about Larry--but the principles he has enunciated I agree with absolutely, and I am very happy to hear him express them.

25X1A9A [] The DD/I wants to go on the record expressing the same as what has been said.

MR. HELMS: Larry, you and I have been friends too long for you to take this personally.

MR. HOUSTON: I have no difference with your concept. It's what is possible, I think.

25X1A9A [] I have only one comment to add--which is Kirk's comment--which is that he is very, very strongly opposed to the creation of an overseas corps. He is in favor of an accelerated retirement program or some additional retirement benefits, if they can be worked out, but definitely opposed to the overseas corps.

25X1A9A [] I can live with "a" because I have a unique situation, with about 5/8 of my strength overseas at all times. We could predict this with the number of jobs that have to be served overseas. It has some advantages for radio operators who will never get on up, as an inducement to go overseas, and overseas, and overseas.

Personally, I don't like it. It's hard to administer, and I don't see that it would apply, without great difficulty, to the DD/P. Mine is an overseas outfit, and it has to rotate, and I won't have a "palace guard." But an accelerated retirement, if you get credit for overseas, my people would go overseas - who are 7's, 8's and 9's, for the most part, particularly since they don't get the grades like they do in State. It isn't the theory, but it's difficult to get people to go overseas - because they don't want to leave their families, and if they have children they think of their education, and that sort of thing. But we're getting by with it even now. So I think we ought to make a study on "b" rather than on "a."

The military - I'm not sure of. In the Navy they have retirement at 16, 20, 25 and 30 - voluntary. They get a pension--a sliding pension, of course - and when this was designed I don't think anything about hazardous duty was involved,

it was to get them out to prevent humps.

25X1A9A

MR. HELMS: I recognize, [] I could have overstated the case a little bit, but I'd like to see us help our people with housing arrangements, etc., rather than to get involved in too many other things. There are certain things you can do to make life bearable overseas which are within our authorities.

25X1A9A

[] We have made progress with our overseas. But you take a GS-7, and he has to pick up and go to whatever part of the world, and he has to have different clothing from that he wears here. He's over there two years--which I think is too short--and then he has to come back home again. It's true that in certain parts of the world he can make savings, but in certain parts he can't. We're going further that way, and I think we can make it easier. If you want your automobile to be put on a boat [] you have to have it up someplace in New Jersey at 5:00 o'clock in the morning, and then you have to go and get a Treasurer's check to pay them for it, and then back down here to pick up their family--it's just a lot of inconveniences.

25X1C4A

MR. HELMS: These things we can take care of inside the Agency, I think.

25X1A9A

MR. STEWART: I think it's fair in saying that in talking with the people at the White House about what you can get and what you can't, from their point of view, what you have mentioned, [], are the factors that they have in mind in permitting a person to have their retirement figured at 2% if they had 10 years overseas. They feel that just basically there are costs involved. This affects a lot of medium and lower grade people throughout the government, and that if we were to get the plan that they put forward - the 10 and 20 year plan - they would hope very much that it would become legislation for everyone. I think there are certain very basic elements of justice and fairness in this which are appealing. Then it would also help us with the problem, Dick, of getting people out. I think on this 10 and 20-year thing we also must be very careful not to be too much influenced by statistics of our performance in the past. The make-up of the Agency is changing as the years go by. In DD/P your new blood is mainly coming from the JOT's. Now if you have a JOT who is a capable fellow and adept at overseas service, there is no reason in the world why, if he starts with you at age 25, by the time he is 40 or 45 he should have tucked away his 10 years overseas, which means that by the time he is 50 if he is a person you would rather be without, you will let him go and he will have an annuity. I think the 10 and 20-year plan is susceptible to management. You can keep records.

You can find out where people stand. You can be sure a man gets his service before he passes the age where he will be of much use to you overseas. And I think the idea, with anyone who is clearly marked for overseas service, in our own thinking the idea would be to have him get it and have it chalked up so he has his 2%.

MR. HELMS: I have no objection to using the overseas as part of the formula. Because I recognize that in the government service if for some reason it won't work to use the police "gimmick," as I call it--that is a gimmick--then maybe you have to have some other gimmick. This I have no objection to. I just don't want to get it all gummed up with all the other aspects of overseas life, that's all.

25X1A9A [] One of the more important aspects which I personally feel can be cranked into the 20/10 formula is item 15, which is severance pay on selection out, which permits a man when he leaves the Agency at age 40 to start drawing his severance pay. This will enable him to go out on the street without standing in nothing more than his socks, as it were.

MR. HELMS: That is absolutely vital.

MR. STEWART: I think severance pay would be a great thing if we had it.

25X1A9A [] The State Department already has it. There is, in my opinion, pretty fair expectation that that could be sold along with the 20/10 business.

MR. HELMS: This is all "b" we're talking about?

25X1A9A [] We're talking about "b" entirely, I think.

25X1A9A [] Is the State Department going to get a better system than "b" here, that Ellsworth and Jones are corresponding about?

25X1A9A [] They aren't comparable. The Jones-Ellsworth thing has really nothing whatever to do with the Foreign Service system, because the Foreign Service system is type "a" - not type "b."

25X1A9A [] If you take the corps away and consider what the retirement program is, is the Ellsworth system a more advantageous one?

MR. STEWART: It's just the same, except for the severance pay. They are the same because it will cost each individual the same--it will be a $6\frac{1}{2}\%$ of salary contribution.

25X1A9A [] The individual's contribution is going up to $6\frac{1}{2}\%$.

MR. HELMS: Because if we don't work out a good arrangement of severance pay and annuities there's going to be more bile flowing in the streets from these people you force out, and by the time they got through cracking nobody would want to

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join the Central Intelligence Agency. You can't leave them as paupers on the street. That doesn't make any sense.

25X1A9A

[] Paragraph 18 is another extremely valuable device--which the Bureau of the Budget just the other day agreed was highly desirable and which they will strongly support with the Congress. This will permit a person who leaves the Agency, because he is no longer useful to the Agency but might be useful to some other part of the government, to continue to draw a take-home pay which is the equivalent of that pay he was earning when he left us, or more if he can earn it. The difference between his new government salary, let's say in Agriculture, and what he earned when he left us is made up by a portion of the annuity which he has earned. The argument is he has earned his annuity with us - there is no doubt about it, and there is no reason why all of that should be taken away - and he earns what he is paid by the new government agency, therefore he is entitled to at least a part of his annuity. The problem is this: under the present system if he is employed by General Foods he gets both his annuity and what he earns at General Foods, but if he is employed by the government he can't draw his annuity. So State has come up with a gimmick, and everybody recognizes it's a compromise position, where he will draw no more than his pay at separation, and this in effect makes the services of this man available to the government instead of precluding the government from using his services. Therefore, the Bureau of the Budget says, "This is fine. It's a new idea but we will support it with the Congress." That would make out-placement very, very much easier, and selection-out very much easier.

MR. STEWART: Dick, to get back to your first point, that is, the question of salaries, as we look at the Class 1 Officers and the supergrade pay levels what it amounts to is about a \$1,000 difference. They are getting about \$1,000 more than the GS-18 at the top of the grade, that is, after they have gone through their various steps.

MR. HELMS: But isn't there another problem--which is, that there is a higher percentage of people in the Foreign Service in those higher grades.

25X1A9A

[] This shows it. I think it's amazing. They have 1,000 people in the supergrades, out of 8,000.

MR. HELMS: That is the thing that "the burn" is on. It's not that \$1,000 differential so much as how hard it is to get up into the supergrade level with our restrictions.

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MR. STEWART: I agree there. I have a feeling we have to grow up into it. If you had 100 more supergrade slots I hope it would take a good long time to fill them.

MR. BAIRD: Gordon, I don't think Mr. Dulles really knows about this, does he? I used to hear that he felt we had more supergrades than other government agencies, including the State Department.

25X1A9A [] This is based on percentage figures of total employment.

MR. BAIRD: These charts in here?

25X1A9A [] No, the statement we have more supergrades in this Agency percentage-wise.

MR. BAIRD: It's false.

MR. HELMS: This thing hasn't been forcefully presented to him in I don't know how long, but I haven't heard it discussed now for months and months and months. I think it's time it was.

MR. LLOYD: Red worked out some very complete figures on percentages of supergrades here and comparable agencies, and we were quite low.

MR. BAIRD: Does the Boss know that?

MR. LLOYD: Yes.

25X1A9A [] These figures have to be very carefully looked at. In this percentage, for example, in the Foreign Service you are talking only about officers. You're not talking about the total population of the State Department, and you're not taking in the Foreign Service Staff, which is the technical and the clerical and the junior administrative people that we have. So when you say a thousand of them it's a thousand of an already highly specialized group that you are talking about. So it's only fair to use correct statistics, and the statistics that are tossed out about this are all slanted.

MR. HELMS: But I'd like to see us move in presenting these figures to the Boss, and this problem, because, after all, he is not going to live forever, and if he's going to do anything about it it's time he got a crack at the thing.

MR. STEWART: My own feeling is that we are not quite ready for it yet.

25X9A2 We have [] positions. A study was made in 1956 [] study--which I think called 25X1
25X9A2 for [] odd - a little bit more. I would like to see us reach the point where you
would bring that study up to date and do a little forecasting. In other words, you

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judge positions in terms of their present occupancy and the availability of people for promotion, and between the time the study was drawn up and the present time I think DD/P has already grown considerably. You would have available more people who could be promoted, I think, than the number of positions available to DD/P. You are short right now. And I think we can redistribute those a little bit and probably take care of that number at the present time. But I think by next fall, if we settled down and went into it, we would be in a position to make a pretty persuasive case.

MR. HEIMS: I would like us to get on with it, I really would.

MR. STEWART: In looking at the problem, you have this huge number of 15's and the very narrow belt upwards. Of course, one of the things we are asking for [in the new Pay Plan] is the ability to pay a 15 - to move into a 16 salary by steps, and I think if we moved in that direction and went after it, which we would have to do, and probably get congressional approval or legislation, that would ease the thing enormously. I think the pay plan presented at the last meeting would, in effect, do it. If we could get that and the Director had a clear understanding he could administer it within reasonable bounds, he could handle our supergrade problem without any trouble at all.

MR. BAIRD: In effect Dick has said two things: one, we are all in favor of "b," I'm assuming; and two, that we get on with it. Right?

MR. STEWART: Right.

MR. HEIMS: I imagine that is as far as we can go today anyway, but this pay thing is becoming a rather sour issue and I do hope we can get the thing pulled together in an understandable form for the Boss, and maybe in two or three months present something of this kind to him.

MR. STEWART: Yes.

Thank you very much. The meeting stands adjourned.

. . . . The meeting adjourned at 4:30 p.m.

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